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State Capitol - Honolulu, Hawai'i

**OPENING DAY SPEECH BY HAWAII HOUSE OF REPRESENTATIVES
MINORITY LEADER,
REP. GENE WARD**

Wednesday, January 18, 2012—

Aloha Mai Kakou, Aloha!

Welcome to the People's House—the one I like to call the Market Place of Ideas.

Speaker Say and Colleagues, I'm delighted to greet you with a Happy and Prosperous New Year, and a few points the Minority Caucus would like you to keep in mind this Session.

Today marks a very critical juncture in our state's history. The people of Hawaii remain anxious about their future—will they have a job?, will they be able to cope with the increasing cost of living?, will their be enough money in the State Budget without having to cut back on essential services?

When people are anxious they need some straight talk, they need some reassurance, they need some hope that things are going to work out.

The Minority offers a four-point confidence recovery program to create jobs while putting a check on spending, and ensure more overall government accountability and transparency, while protecting our communities from organized crime. Let me explain.

Speaker and colleagues, this means we can't do business as usual. We need to break out of the status quo this session and not just come to the State Capitol every year to raise taxes and fees and beat our chests that we balanced the budget. Of course we need to do that, but we need to do much more than that.

My suggestion is that we need to think outside of the box, the Square Building box we're in, that is. We need to become more entrepreneurial, to become more creative and more innovative and start doing what made Hawaii and America great. It's called growth – or growing the pie! This the theme of our four recovery points for the 2012 Session and a part a plan for the turn around of the state of Hawaii.

#1: First let's encourage job creation this session instead of discouraging it.

Let me illustrate. A year ago at the start of the 2011 Session, we had an unemployment rate in Hawaii of 6.3% or 39,621 people were out of a job. Now one year later the unemployment rate is 6.5 % and over 41,000 people are out of jobs. That's about 150 jobs per month we've lost in the last 12 months and doesn't count our two hospital closures.

Mr. Speaker we believe one of the best job creation strategies is the creation of "green jobs". We will introduce legislation that will put solar on every roof through PACE- Property Assessed Clean Energy. PACE-the LA version, which allows homeowners to save on their electric bills by installing renewable energy systems (PV) and paying for them over a 20 year period.

We really need to get serious about the sun. It's our strongest suite and even though Hawaii is first in the nation for solar water heating but 2nd in PV installation-I say why not first in the nation and first in the world? Israel already has 90% of households with solar water heating, and Germany already has 5% PV energy in its grid. We can do better than Israel and Germany! (Don't you think so Speaker?)

A second job creation strategy will be small business set-aside for veteran-owned businesses. We put out about \$1 billion in annual state procurement contracts, and those who have been the first responders of liberty, deserve a mere 3% of our state contracts.

Lastly for job creation, we're proposing hiring incentives for small businesses to hire people currently receiving unemployment benefits and allow an offset of taxes equal to the cost of these benefits.

These three pieces of legislation are winners because they're job creators, Mr. Speaker, let's pass these bills for the sake of the families of the 41,000 people out there who are without jobs!

#2: Our second priority for the 2012 Session is to not only to create jobs, but also to create certainty and build confidence among Hawaii's people.

Job creation legislation doesn't work if businesses and consumers are not spending because they feel the future is uncertain or unstable. No spending means the economy shrinks.

Because of this uncertainty, trillions of dollars are sitting on the sidelines because of no confidence in our economy or uncertainty about government policies.

To make government more predictable, and to help the people of Hawaii and our small businesses know they can keep their hard-earned money this legislative session, we are proposing legislation that would require a two-third's vote of the Legislature before any tax can be passed.

And how confident are the people of our nation and state at this point in our history? Last month a Rasmussen Poll indicated that only 35% of Americans believe it is still possible for anyone in American to grow rich by working hard.

This attitudinal shift is dangerous because the job of government is to give every citizen an equal chance of becoming rich, famous, healthy and productive, but it has to be accomplished by his or her own hard work, study and initiative. It is not the role of government to dis-incentivize one's chances of success

Speaker and colleagues, we are losing our work ethic if 65% of our people believe hard work will get them no where. We need to rekindle the American Dream, and settle all these foreclosures that have bottled up our real estate market. Home ownership in America is still only 70%, but in Hawaii we're still way behind with only 55% of our people owning a home. Taiwan is 90%.

This legislature thus needs to rekindle confidence and certainty in the economy and the American Dream in any way that we can.

OUR PRIORITY #3 Is to Ensure Accountability and Transparency in government

The people of Hawaii deserve more than an annual peek into the government's checkbook. State financial records should not be kapu or obscured by fancy accounting, or excuses that data is not available. We are proposing "Open Books" legislation that will allow people to check monthly state revenues and expenditures online and on their home computers. And of course, we will produce our annual Republican Alternative Budget online for people to create their own state budget.

In this regard, I commend Gov. Abercrombie for his statements before the Hawaii Tax Foundation last month in Waikiki when he stated that he would try to put out a

positive financial report every quarter “that people can see and they can count on and know is real and is not some kind of jury-rigged number meant to fool you.

Lastly for increased government transparency, we will also put forth legislation that will require that every piece of legislation include a "price tag" so that legislators and the public know what a law will cost before it is passed. When I speak to groups about this “fiscal notes” bill, they find it incredible that this is not the law of the land.

PRIORITY #4: Protect our Communities

Earlier I referred to fighting organized crime in our state. Just like speeches were made in Chicago against organized crime in the 30's, so to do we add our voice to the growing menace of organized cybercrime in Hawaii. Our people are getting hacked, bribed, extorted, robbed of their identities with massive fraud going unreported or unpunished. Our fourth priority this session is thus to protect our communities from the cybercrime wave that is sweeping our state by introducing legislation that will address computer-scams and fraud, identity theft, cyber-bullying, and character assassination. Existing laws simply have not kept pace with the technical sophistication of criminals.

Our Caucus' bills will make it easier to help Hawaii citizens who are victimized. For example, we will require penalties for unauthorized access to a computer be significantly increased. And, internet service providers will be asked to retain records for several years so that police and prosecutors can obtain the evidence they need to stop cyber-criminals.

So in summary and conclusion, Mr. Speaker, we believe the above four-step approach can put Hawaii back on the road to recovery for a better economic future and a Better Day in Hawaii.

We of course must continue to protect and grow our visitor and military industries, and keep an eye out for innovation, whether this be with a partnership with NASA on the big island, or some film studios in Hollywood.

We must avoid the temptation of a quick fix for gambling or a lottery. With the red ink forecast for the out years in the State Budget, this is not a time for increasing spending-full stop. And is definitely not the time to suffocate our small businesses with a steep increase in unemployment insurance taxes, and let's not even talk about soda or alcohol taxes, and most assuredly no pension tax on our elderly.

Bottom line is that we should consciously seek growth in our small businesses and encourage them to hire more people. Just like we thank our soldiers when we see them at the airport -- I should begin thanking our small businesses that are survivors. Success is defined by survival, so every time we see a small mom and pop small

business owner-let's thank them for hiring and keeping what employees they have left. You don't have shake their hand, but just thank them for hiring and holding on to their workers.....and if they're really not angry with you as a legislator for proposing this, try to suggest they might hire even more employees in the future."

In Hawaii we have a lot to be proud of and as Senator Inouye remarked at a recent APEC meeting, (where we reached the tipping point for the internationalization and ultimate test of our aloha spirit), "We need to brag about our successes in Hawaii."

He's right, We have the best bank and best airline in the nation; we're the national leader for renewable energy, have the largest solar telescope in the world, serve as the home of the Pacific Command responsible for the security of over 50% of the earth's surface, have the biggest shipyard in the US: Pearl Harbor, as well one of only two missile ranges in the nation; and grow 80% of the world's seed corn in our soil. And because of APEC's home run last November 2011, we are a tested and true world-class gathering place and epicenter for diplomacy and serious business for world leaders.

So the imperative to not conduct business as usual this Session is clear. Hawaii is an exceptional place with unlimited potential, in an exceptional America. Let us not tire this session of under-achieving our potential. Let's be all we can be.

We're world class and this session has the potential to prove it.

Aloha and God Bless this House, the people of Hawaii, and our great nation!

Representative Gene Ward is the Minority Leader in the State House of Representatives and the Representative of District 17: Hawaii Kai to Kalama Valley. He was a student, researcher and member of the Board of Directors at the East-West Center.